courage payment for foreign collaborations in the form of 100 per cent lump sum payments. In cases where both royalty and lump sum have to be paid the lump sum payment should not exceed 50 per cent of the total.

The principles governing the acquisition of technology also specify that there shall be a firm commitment for absorption, adaptation and subsequent development of imported know-how through adequate investments and Research and Development to which importers of technology will be expected to contribute.

Losses of Regional Rural Banks

*250. SHRI SUBAS MOHANTY : Will the Minister of FINANCE be pleased to state :

(a) whetre the Regional Rural Banks throughout the country are incurring losses;

(b) if so, the accumulated losses of those Banks as on the 31st March 1987 and the reasons therefor; and

(c) the steps taken so far to improve the performance of the regional rural banks and to reduce their losses ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) NABARD has reported that out of 191 Regional Rural Banks (RRBs) for which information is available upto December 1986, 141 RRBs have shown accumulated losses of Rs. 89.6 crores. Some of the important factors responsible for looses in most of the RRBs are extensive branch expansion in interior rural areas, low business per branch and increase in establishment costs.

(c) The Government had set up a Working Group on Regional Rural Banks and have in pursuance of its recommendations taken a number of decision; for improving the viability of the RRBs. Important among them are indicated below :—

(i) Sanctioning of additional share capital t<, identified RRBs with satisfactory track record in a phased manner;

(ii) Lowering of interest rates on refinance provided by sponsoring banks to RRBs;

(iii) Investment of funds for SLR requirements in securities of better yield;

(iv) Enlargement of the scope of lending by RRBs;

(v) A more active role by sponsoring banks in fund management, staff training and internal audit; and

(vi) Close monitoring to improve productivity.

Show cause notices served to cigarette manufacturers

♦251. SHRI I. P. GOYAL :
SHRI VIRENDRA VERMA :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Government have recently served show cause notices to certain cigarette manufacturing companies in the country for the evasion of excise duties;

(b) if so, what are the details thereof stating the names of the cigarette companies on whom such show cause notices have been served and the estimated amount of excise duty involved in each case; and

(c) what follow up action has been taken by Government for the expeditious disposal of the cases ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) to (c> The Government hav-j during th: period 1-1-1986 to 31-7-1987, served a number of show cause notices on cigarette manufacturing companies for evasion of Central Excise duties. The details of these show cause notices alongwith the names of the companies are given in the Statement. *(See* below). All efforts are being made by the adjudicating officers to> speedily dispose of these cases. The progress of these cases is also being monitored by the Central Board of Exise and